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State Dept. review completed

Serb Party Struggles to Maintain Unity During the Purges

The Serb party plenum of 9-11 November produced the first indication of the new Serb party leaders' tactical approach in the current period of tension. Party Chief Vlaskalic's performance suggests that his task is to maintain as much unity as possible under the difficult situation. Vlaskalic refused a suggestion by the preparatory commission that the plenum debate the question of confidence in the central committee leaders left over from the Nikezic era. Vlaskalic said that Tito had expressed confidence in the central committee as a whole and that this can be maintained by energetic implementation of Tito's orders. Vlaskalic also refused to accept the resignation of Miroslav Peculjic from the LCY presidium. Peculjic, after agreeing with the party's new line, requested to be relieved because his skills in Marxist ideology were needed elsewhere.

Vlaskalic's deputy Nikola Petronic, however, laid out the party's new get-tough policy. Petronic made it plain that not only would some people be deprived of the profits of speculation and other unjustifiable income, but they also face stern ex post facto legal sanctions. Petronic said the party would take a strong hand in all personnel appointments including stricter standards for elected officials. Petronic also demanded a strengthening of police and prosecuting organs against "enemy activity" and dismissed Western critics of these changes as false progressives who permit ustashi activities against Yugoslavia. Petronic warned against "unsubstantiated criticism" and "wholesale condemnations" and said the Serbian party must "safeguard our democratic government and other institutions".

The conclusions from the plenum stress the need for immediate action to implement pertinent laws restricting the power of banks, foreign trade organizations and other sources of bureaucratic opposition to self-management. They also call for an all out effort by leading functionaries to improve communication with grass roots party organs and to begin extensive Marxist training at all levels. The conclusions ended with a pledge to act as an integral part of a united LCY in pursuit of Tito's line. A commission was appointed to make concrete recommendations along these lines.

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Croat Emigres in FRG Fight Image Problem

One of the leading emigre groups, the Croat National Committee, (CNC), is under new leadership and is trying desperately to undo some of the bad press it received under its old regime. Dr. Ivan Jelic, who succeeded his brother Branimir as president of CNC last September, has assembled a retinue of henchmen who generally described themselves as moderates and are changing the public image of the organization to deemphasize its ties to the ustashi (terrorist) past.

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Ivan Jelic has personally taken control of the CNC's paper Hrvatska Drzava and intends to change the format to appeal to intellectuals in Croatia and abroad, rather than to the workers who are already coughing up enough money to keep the group well financed.

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The changes are superficial. The CNC leaders have endorsed the skyjacking of the SAS flight last September and have tried to intercede with the Franco government for their release. Furthermore, pious denials of any real intention to make a deal with the Soviets are accompanied by an open admission that the CNC is ready to take support from any quarter.

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These tactical adjustments suggest strongly that the CNC is gearing up for a final push to coincide with the inevitable instability accompanying Tito's demise. The emigres obviously hope to play on the atmosphere in Croatia, where young intellectuals have been deeply embittered by Tito's power play last December but all the same would not dream of supporting ustashi terrorists. The security apparatus in Belgrade may be hard pressed to deal with such a sophisticated approach, particularly since it is Serb-dominated and inclined toward heavy-handedness.

While the various Croat emigres have waged bitter factional wars in the past, there is now less of this trend in evidence. With the CNC opting out of the highly visible terrorist groups, there is a division of labor suggestive of a tacit arrangement between anti-Yugoslav Croat organizations. The very fact that the CNC leadership was replaced without "muscling in" by other imigres nurtures this suspicion. Unfortunately we have little information, beyond vague Yugoslav allegations, on cooperation

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among the emigres.

### Romanians Urged to Tighten Belts

The Embassy in Bucharest reports a press campaign over the last few weeks urging austerity on the part of all Romanians in both their private and professional activities. The major emphasis appears to be on the careful use by management of raw materials in manufacturing activities. A number of articles and editorials, however, urge all citizens to take greater care in use of electricity and fuels, and housewives in particular are asked to minimize the use of light bulbs.

No new construction projects other than those for "productive investments" will be initiated according to the press. The regime's seriousness on belt tightening in this respect is underscored by the fact that apparently no new schools, hospitals or cultural centers will be started for the next two years.

The emphasis on thrift and frugality is apparently the result of the poor harvest and Ceausescu's failure to obtain foreign credits to alleviate the debt problem. While austerity has been the order of the day for some time in Romania, this new emphasis is more extreme than anything seen previously. The Embassy explains the new push as, in part, coming from Ceausescu's personal desire to marshal all of Romania's reserves in order to complete the current five year plan ahead of schedule.

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### Italian Foreign Minister Concludes Romanian Visit

Foreign Minister Medici's visit to Romania on 9-11 November went pretty much as expected. In addition to clearing the way for a trip by Ceausescu to Italy next spring, Medici invited Foreign Minister Macovescu to Rome. The two parties also signed an agreement governing legal relations between Italy and Romania.

From the Romanian standpoint, however, the real significance of the visit lies in the wording of the final communique. Included in the document are principles Bucharest is trying to feed into as many bilateral agreements as possible as plans and preparations for the Conference on Security and Cooperation in Europe move forward. The communique specifically calls for the inclusion of as many of these principles as possible in the CSCE framework. Specifically these include, respect for territorial integrity, independence and sovereignty, the elimin-

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ation of the use of force or threat of force to settle bi-lateral issues, increased cooperation in economic and cultural activity, and some means of protection for all states against aggression, pressure, interference or the imposition of another's will. [REDACTED] 25X1

Bangladesh Foreign Minister Visits Romania

Aside from expressions of satisfaction over the establishment of diplomatic relations and a recently-concluded economic agreement, there was little to get excited about as a result of Foreign Minister Abdus Samed Azad's visit on 7-10 November. Both sides agreed to exchange economic delegations in the near future, and Romanian Foreign Minister Macovescu accepted an invitation to visit Dacca at an undertermined date.

Romania was one of the last East European states to recognize Bangladesh's independence. The bulk of Romania's trade with Pakistan before the civil war was with East Pakistan and Azad's visit was a chance to smooth over ruffled feelings and reaffirm Romania's interest in trade--both in acquiring raw materials and in finding a market for Romanian industrial goods. [REDACTED] 25X1

Bulgarian Trade Official to US in January.

In talks with US Embassy officials on 10 November, deputy Foreign Trade Minister Andrey Lukanov "appeared to accept" the idea that the best time for his visit to the US would be late January. The Lukanov delegation will number about six persons and will visit Washington and New York for a period of seven to ten days.

The Embassy reports that Sofia hopes to negotiate mutual extensions of MFN and credits, a maritime agreement, and the establishment of a joint economic commission. Lukanov rejected any idea of non-economic matters being discussed in preparation for the visit of Deputy Premier Ivan Popov later next year. A Bulgarian Foreign Ministry source has confirmed that a preparatory visit--not Lukanov's trip--will be necessary to pave the way for Popov's reception here in Washington. [REDACTED] 25X1

NOTE : THE VIEWS EXPRESSED ABOVE REPRESENT ONLY THE ANALYSIS OF THE EE BRANCH.

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